



# NEWSLETTER



## WELCOME TO THE ILLINOIS FSA STATE NEWSLETTER (25th Edition)

As USDA Farm Service Agency is moving to a paperless, electronic version of County Newsletters, the State Office has developed a State Wide Newsletter that will be posted to this site every month. This is a uniform Newsletter available to all producers in the state. If you would like to have a hard copy of this newsletter for your use, please stop by your local county office to obtain one. If you wish to receive electronic county office news, and have not signed up to do so yet, please contact your local county office and provide them with your email address. We appreciate your patience while we transition into a new, more efficient, cost saving way of providing you with the most up to date information possible.

Sincerely,  
Scherrie V. Giamanco – State Executive Director

### Illinois State FSA Office

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Springfield, IL 62711

217-241-6600  
855-800-1760 fax

**Hours**  
Monday - Friday  
8:00 a.m. - 4:30 p.m.

### JUNE 2014

Scherrie V. Giamanco  
**State Executive Director**

Rick Graden  
**Executive Officer**

Mary Kirby – **Public Affairs Specialist**

Visit our Website at:  
[www.fsa.usda.gov/il](http://www.fsa.usda.gov/il)

### COUNTY FSA COMMITTEE (COC) ELECTION

June 15 through August 1, 2014, is the period for nominating farmers and ranchers as candidates for the local COC election. FSA encourages all eligible producers to nominate themselves, or another eligible producer, to run for office. Nomination forms (FSA-669A's) are available:

- at <http://www.fsa.usda.gov/elections>, scroll down to the links under "Election Materials" and CLICK **"2014 Nomination Form"**
- by picking up FSA-669A at your local FSA Office
- by calling your local office and requesting FSA-669A be sent to you.

### **NOMINATE AND VOTE !**

### USDA ANNOUNCES RESTART OF THE BIOMASS CROP ASSISTANCE PROGRAM

- The Biomass Crop Assistance Program (BCAP) was reauthorized by the 2014 Farm Bill and will resume on a limited basis beginning June 9, 2014.
- BCAP employs three types of biomass assistance primarily through approved BCAP project areas. For growing new biomass, BCAP provides financial assistance with 50 percent of the cost of establishing a perennial crop. To maintain the crop as it matures until harvest, BCAP provides an annual payment for up to 5 years for herbaceous crops, or up to 15 years for woody crops. To collect existing agriculture or forest residues that are not economically retrievable, BCAP provides assistance with mitigating the cost of harvesting and transporting the materials to the end-use facility.
- The 2014 Farm Bill authorizes \$25 million annually for BCAP, requiring between 10 and 50 percent of the total funding to be used for harvest and transportation of biomass residues. Traditional food and feed crops are ineligible for assistance.

- The 2014 Farm Bill also enacted several modifications for BCAP, including higher incentives for socially disadvantaged farmers and ranchers, and narrower biomass qualifications for matching payments, among other changes.
- Only the matching payments portion of the BCAP, with narrower biomass qualifications, will resume this summer. Additional information will be provided as the updated BCAP regulations and policies are implemented. With the 2014 Farm Bill requiring several regulatory updates to BCAP, the resumption of establishment and annual payments has been deferred until a later date.
- For forest residues, this year’s matching payments are targeted for energy generation while reducing fire, insect and disease threats on Forest Service and Bureau of Land Management lands. Agriculture residues for energy are also eligible for matching payments.
- The USDA Farm Service Agency (FSA), which administers BCAP, will coordinate the BCAP enrollments. For more information on BCAP and other FSA programs, visit a local FSA office or go online to [www.fsa.usda.gov](http://www.fsa.usda.gov).
- Private nonprofit organizations

USDA ANNOUNCES PROGRAMS TO CONSERVE SENSITIVE LAND AND HELP BEGINNING FARMERS

Beginning June 9, 2014, farmers, ranchers, and landowners committed to protecting and conserving environmentally sensitive land may sign up for the Conservation Reserve Program (CRP).

CRP provides incentives to producers who utilize conservation methods or environmentally-sensitive lands. For example, farmers are monetarily compensated for establishing long-term vegetative species, such as approved grasses or trees (known as “covers”) to control soil erosion, improve water quality, and enhance wildlife habitat.

CRP consists of a “continuous” and “general” sign-up period. Continuous sign up for the voluntary program starts June 9, 2014.

Under continuous sign-up authority, eligible land can be enrolled in CRP at any time with contracts of up to 10 to 15 years in duration.

Since there will be no general sign-up this year, from June 9, 2014 through August 8, 2014, USDA will allow producers with certain general CRP contracts expiring in September to have the option of a one-year extension.

The Transition Incentives Program (TIP) provides two additional years of payments for retired farmers or ranchers who transition expiring CRP acres to socially disadvantaged, military veteran, or beginning producers who return the land to sustainable grazing or crop production.

Sign up will also begin June 9, 2014. TIP funding was increased by more than 30 percent in the 2014 Farm Bill, providing up to \$33 million through 2018.

As part of the 2014 Farm Bill, participants meeting specific qualifications may have the opportunity to terminate their CRP contract during fiscal year 2015 if the contract has been in effect for a minimum of five years and if other conditions are also met.

The USDA Farm Service Agency (FSA), which administers CRP, will coordinate the various CRP program opportunities.

For more information on CRP and other FSA programs, visit a local FSA county office or go online to [www.fsa.usda.gov](http://www.fsa.usda.gov).

USDA ANNOUNCES CHANGES TO FRUIT, VEGETABLE AND WILD RICE PLANTING RULES

Farm Service Agency (FSA) has announced the fruit, vegetable and wild rice provisions which may affect producers who intend to participate in certain programs authorized by the Agricultural Act of 2014.

Producers who intend to participate in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs are subject to an acre-for-acre payment reduction when fruits and nuts, vegetables or wild rice are planted on a farm’s payment acres. Payment reductions do not apply to mung beans, dry peas, lentils or chickpeas. Planting fruits, vegetables or wild rice on acres that are not considered payment acres will not result in a payment reduction. Farms that are eligible to participate in ARC/PLC but are not enrolled for a particular year may plant unlimited fruits, vegetables and wild rice for that year but will not receive ARC/PLC payments. Eligibility for succeeding years is not affected.

Planting and harvesting fruits, vegetables and wild rice on ARC/PLC acreage is subject to the acre-for-acre payment reduction when these crops are planted on either more than 15 percent of the base acres of a farm enrolled in ARC, using the county coverage option, or PLC, or more than 35 percent of the base acres of a farm enrolled in ARC using the individual coverage option.

Fruits, vegetables and wild rice that are planted in an approved double-cropping practice with a covered commodity will not result in a payment reduction if the farm is in a double-cropping region as designated by the USDA's Commodity Credit Corporation.

#### LIVESTOCK DISASTER ASSISTANCE SIGN-UP UNDERWAY

Livestock disaster programs are authorized by the 2014 Farm Bill as permanent programs and provide retroactive financial assistance authority to cover losses that occurred on or after Oct. 1, 2011. Livestock Forage Program (LFP) provides for grazing losses, Livestock Indemnity Program (LIP) provides financial assistance for livestock losses due to adverse weather events and Emergency Livestock, Honeybees and Farm Raised Fish Program (ELAP). ELAP covers losses due to an eligible adverse weather or loss condition, including blizzards and wildfires, as determined by the Secretary.

For more information, producers can review the LFP, LIP and ELAP Fact Sheets on the [Farm Bill webpage](#). Producers are encouraged to make an appointment with their local FSA office to apply for these programs.

Eligible producers can sign-up for the following livestock disaster assistance programs:

#### USDA AWARDING \$6 MILLION TO PREPARE FARMERS FOR NEW FARM BILL PROGRAMS

USDA is awarding \$6 million to universities and cooperative state extension services to develop online decision tools and other materials and train experts to educate producers about several key farm bill programs. The new Web tools will help farmers determine how participation in programs established by the 2014 Farm Bill might potentially impact their farming operations.

The University of Illinois (lead for the National Coalition for Producer Education), along with the Food and Agricultural Policy Research Institute (FAPRI) at the University of Missouri and the Agricultural and Food Policy Center at Texas A&M (co-leads for the National Association of Agricultural and Food Policy),

will receive a total of \$3 million to develop the new online tools and train state-based extension agents who can in turn help educate farmers.

The new resources will help farmers and ranchers make an educated choice between the new Agriculture Risk Coverage (ARC) program and the Price Loss Coverage (PLC) program. Using the new online tools, producers will be able to use data unique to their specific farming operations to test a variety of financial scenarios before officially signing up for the new program options later this year. Once a producer enrolls a farm in the ARC or PLC program, the farm will remain in the program through the 2018 crop year.

New tools will be provided for other programs as well. Sign-up for the newly established Margin Protection Program for Dairy (MPP) begins late this summer and enrollment for "buy-up" provisions under the Noninsured Crop Disaster Assistance Program (NAP) will begin early next year. An online MPP tool will be available when sign up begins and the NAP buy-up provision resource will become available to producers in the fall for the 2015 crop year.

USDA will also award \$3 million to state cooperative extension services—a nationwide network of experts based at land-grant universities—for outreach and education on the new Farm Bill programs.

Funds will be used to conduct public education outreach meetings where producers can speak with local extension agents and Farm Service Agency (FSA) staff. Outreach meetings will begin late this summer to help farmers understand the new programs and their options.

While universities work to create new online tools, producers now have access to a preliminary website that gives them a chance to begin familiarizing themselves with the new programs and the type of information they will need to consider when deciding which program options work better for them.

At this site, farmers and ranchers can view ARC and PLC projected payments, ARC guarantees, and PLC payment rate projections. These tables are available on the [FSA website](#).

Visit [www.fsa.usda.gov](http://www.fsa.usda.gov) or your local FSA office for information about FSA and the 2014 Farm Bill programs.

## 2014 ACREAGE REPORTING DATES

Producers who file accurate and timely reports for all crops and land uses, including failed acreage can prevent the potential loss of FSA program benefits.

Please pay close attention to the acreage reporting dates below, as some dates have changed for 2014.

In order to comply with FSA program eligibility requirements, all producers are encouraged to visit their local County FSA office to file an accurate crop certification report by the applicable deadline.

The following 2014 acreage reporting dates are applicable for Illinois:

July 15, 2014:           cabbage (planted 3/15 – 5/31),  
                                  perennial forage (with an  
                                  intended use of cover only, green  
                                  manure, left standing, or seed)  
                                  and all other crops

August 15, 2014:       cabbage (planted 6/1 – 7/20)

The following exceptions apply to the above acreage reporting dates:

- If the crop has not been planted by the above acreage reporting date, then the acreage must be reported no later than 15 calendar days after planting is completed.
- If a producer acquires additional acreage after the above acreage reporting date, then the acreage must be reported no later than 30 calendar days after purchase or acquiring the lease. Appropriate documentation must be provided to the county office.
- If a perennial forage crop is reported with the intended use of “cover only,” “green manure,” “left standing,” or “seed,” then the acreage must be reported by July 15, 2014.

Noninsured Crop Disaster Assistance Program (NAP) policy holders should note that the acreage reporting date for NAP covered crops is the earlier of the dates listed above or 15 calendar days before grazing or harvesting of the crop begins.

For questions regarding crop certification and crop loss reports, please contact your local County FSA office.

## USDA FARM SERVICE AGENCY ANNOUNCES TREE

### ASSISTANCE PROGRAM (TAP) SIGN-UP

Orchardists and nursery tree growers who experienced losses from natural disasters that occurred on or after Oct. 1, 2011, can sign up for financial assistance through the Tree Assistance Program (TAP). TAP was authorized by the Agricultural Act of 2014 as a permanent disaster program.

Please see the May 2014 Newsletter for additional details, or a fact sheet is available by clicking the link to read a Fact Sheet here, ([Fact sheet link here?](#)) or contact your local FSA office for information.

### NAP APPLICATION CLOSING DATES

Noninsured Crop Disaster Assistance Program (NAP) applications are due at different times, depending on the crop being insured.

Producers should apply for Noninsured Crop Disaster Assistance Program (NAP) coverage using form CCC-471 (Application for Coverage). Related service fees are due when the application is filed. The application and service fee MUST be filed by the crop sales closing date. Please see the May 2014 Newsletter for additional details, or a fact sheet is available by clicking the link to read a Fact Sheet here, or contact your local FSA office for the filing dates for your crops.

### NEW FARM BILL OFFERS INCREASED OPPORTUNITIES FOR PRODUCERS

The 2014 Farm Bill offers increased opportunities for producers including farm loan program modifications that create flexibility for new and existing farmers.

A fact sheet outlining modifications to the U.S. Department of Agriculture’s (USDA) Farm Service Agency (FSA) Farm Loan Programs is available [here](#).

The Farm Bill expands lending opportunities for thousands of farmers and ranchers to begin and continue operations, including greater flexibility in determining eligibility, raising loan limits, and emphasizing beginning and socially disadvantaged producers.

Additional modifications must be implemented through the rulemaking processes. Visit the [FSA Farm Bill website](#) for detailed information and updates to farm loan programs.

## MICROLOAN PROGRAM

The Farm Service Agency (FSA) developed the Microloan (ML) program to better serve the unique financial operating needs of beginning, niche and small family farm operations.

FSA offers applicants a Microloan designed to help farmers with credit needs of \$35,000 or less.

The loan features a streamlined application process built to fit the needs of new and smaller producers. This loan program will also be useful to specialty crop producers and operators of community supported agriculture (CSA).

Eligible applicants can apply for a maximum amount of \$35,000 to pay for initial start-up expenses such as hoop houses to extend the growing season, essential tools, irrigation and annual expenses such as seed, fertilizer, utilities, land rents, marketing, and distribution expenses.

As financing needs increase, applicants can apply for a regular operating loan up to the maximum amount of

\$300,000 or obtain financing from a commercial lender under FSA's Guaranteed Loan Program.

Individuals interested in applying for a microloan or would like to discuss other farm loan programs available, should contact the local FSA office to setup an appointment with a Loan Approval Official.

## FARM RECONSTITUTIONS

When changes in farm ownership or operation take place, a farm *reconstitution* is necessary. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation.

The following are the different methods used when doing a farm recon.

**Estate Method** — The estate method is the division of bases for a parent farm among heirs in settling an estate.

**Designation of Landowner Method** — The designation by landowner method may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more

persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller shall file signed Memorandum of Understanding designating bases before the farm is reconstituted or any subsequent transfer of ownership.

**DCP Cropland Method** — The DCP Cropland method is the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract.

**Default Method** — The default method is the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

## FSA SIGNATURE POLICY

Using the correct signature when doing business with FSA can save time and prevent a delay in program benefits.

The following are FSA signature guidelines:

- Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office
- Spouses shall not sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations, or other similar entities.

For additional clarification on proper signatures contact your local FSA office.

## BANK ACCOUNT CHANGES

Current policy mandates that FSA payments be electronically transferred into a bank account. In order for timely payments to be made, producers to notify the FSA Has been changed or if another financial institution purchases the bank where payments are being sent.

## BEGINNING FARMER LOANS

FSA has a program to assist beginning farmers and/or members of socially disadvantaged groups to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more than 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- Except for operating loan assistance, does not own farm acreage in excess of 30 percent of the county's average size farm, in the county where the farm is located

Each member of an entity must meet the eligibility requirements. Loan approval is also dependent on acceptable feasibility and security determinations.

Additional program information, loan applications, and other materials are available at the local USDA Service Center or visit [www.fsa.usda.gov](http://www.fsa.usda.gov).

## LOANS FOR MEMBERS OF UNDERSERVED GROUPS (SOCIALY DISADVANTAGED APPLICANTS)

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or to purchase or improve farms or ranches.

While all qualified producers are eligible to apply for these loan programs, FSA has provided priority funding for members of socially disadvantaged groups. (Underserved groups)

A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities.

For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

**JUNE 2014 INTEREST RATES**

<b>90 Day Treasury Bills</b>	<b>.125%</b>
<b>Farm Operating Loans – Direct</b>	<b>2.25%</b>
<b>Farm Ownership Loan – Direct</b>	<b>4.00%</b>
<b>Farm Ownership Loans – Direct Down Payment, Beginning Farmer or Rancher</b>	<b>1.50%</b>
<b>Direct Farm Ownership – Joint Financing</b>	<b>2.50%</b>
<b>Emergency Loans</b>	<b>3.25%</b>
<b>Farm Storage Facility Loan (7 years)</b>	<b>2.25%</b>
<b>Farm Storage Facility Loan (10 years)</b>	<b>2.625%</b>
<b>Farm Storage Facility Loan (12 years)</b>	<b>2.750%</b>
<b>Commodity Loans 1996 – Present</b>	<b>1.125%</b>

**DATES TO REMEMBER**

<b>July 15, 2014</b>	<b>Final date to spring seeded crops, cabbage (planted 3/15 – 5/31), perennial forage with intended use of cover only, green manure, left standing, or seed</b>
<b>July 15, 2014</b>	<b>Final date to submit 2013 production for ACRE participants</b>
<b>Continuous</b>	<b>Farm Storage Facility Loans Sign up to conduct business online through E-authentication</b>